

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF IOWA
EASTERN DIVISION

EASTERN IOWA PLASTICS, INC.,)	
)	
Plaintiff,)	No. 12 cv 2088 EJM
)	
vs.)	
)	AMENDED FINDINGS OF FACT
PI, INC.,)	and CONCLUSIONS OF LAW;
)	JUDGMENT
Defendant.)	

From April 13, 2015 to April 21, 2015, this case, containing prayers for damages, declaratory relief, an injunction and cancellation, was tried to a jury. At the close of evidence, the court partially granted defendant's motion for judgment as a matter of law under F.R.C.P. 50, finding no evidence of actual damages. The remaining issues; whether plaintiff is entitled to declaratory or injunctive relief under the Lanham Act, or cancellation of the trademarks, are for the court. Briefs and replies thereto have been filed. The court's original Findings of Fact, Conclusions of Law and Judgment, filed May 22, 2015, are withdrawn.

The court now makes the following amended findings of fact and conclusions of law.

AMENDED FINDINGS OF FACT

1. KenTech Plastics, Inc. (KenTech) owned federally registered Trademark No. 1,077,911 for the name PAKSTER (Trademark) for use on plastic products in the egg and poultry industries. The registration for the Trademark expired on September 1, 1998.

2. KenTech made plastic egg flats in two different ways: (1) thermoformed egg flats which it manufactured in Independence, Iowa; and (2) injection molded egg flats which it manufactured at Hopkinville, Kentucky.

3. In late summer 1997, KenTech planned to divest its egg flat lines. As part of its plan, KenTech sold its thermoform line to plaintiff Eastern Iowa Plastics, Inc. (EIP) pursuant to a written Asset Purchase Agreement (APA.) The APA provided that EIP purchased all the assets at KenTech's Independence facility, including the Trademark, subject to its leaseback to KenTech.

4. At about the same time, KenTech sold the injection molds to defendant PI, Inc. (PI), which molds had the Trademark imbedded in them. The sale of the molds with an imbedded trademark was intended to and did transfer rights to use the Trademark in connection with the use of the molds.

5. From 1997 to at least 2007, EIP and PI sold their egg flats to their customers in the egg industry, in full view and awareness of each other. They at times shared a single outside sales agent, and at trade shows erected booths next to each other

prominently displaying the Trademark. Although they had no formal contract or agreement, they did business cooperatively, often referring customers to each other.

6. Injection molded egg flats and thermoformed egg flats are the same general product, but they have differences between them that are material to their customers.

7. In 2006 and again in 2007, PI applied to register the Trademark with the U.S. Patent and Trademark Office (USPTO) for, among other things, egg flats by both methods. It failed to disclose EIP's use of the Trademark with the thermoform method, although it knew of it for at least ten years and was required to disclose it to the USPTO. PI acted with intent to deceive the USPTO. PI received registration numbers 3,352,460 and 3,724,368.

8. In early 2012, five years later, the time it takes for a registered trademark to become incontestable, PI sent three cease and desist letters to EIP, demanding that EIP stop manufacturing and selling egg flats with the Trademark. EIP responded by continuing manufacture and sale, and filed this lawsuit.

9. PI never withdrew its threats up to trial.

AMENDED CONCLUSIONS OF LAW

1. This is an action for trademark infringement under the Lanham Act, 15 U.S.C. §1120 et al., jurisdiction under 15 U.S.C. §1121 and 28 U.S.C. §1331.

2. The sales by KenTech of the Trademark to both EIP and PI left the Trademark jointly owned, which the law discourages but accepts if, as here, the parties choose this arrangement. See Wrist-Rocket Mfg. Co., Inc. v. Saunders Archery Co., 516 F.2d 846, 850 (8th Cir. 1975.)

3. EIP owns the Trademark for use in manufacturing and selling egg flats made by the thermoform method.

4. PI owns the Trademark for use in manufacturing and selling egg flats made by the injection molding method.

5. PI filed trademark registration applications in 2006 and 2007, failing to disclose its knowledge of EIP's use of the Trademark. PI's U.S. Trademark Registration Numbers 3,352,460 and 3,724,368 are cancelled.

6. EIP is the prevailing party in this case.


7. By not later than June 19, 2015, any amended motions for attorneys' fees shall be filed.

JUDGMENT

IT IS ADJUDGED

1. EIP is declared the owner of the Trademark for egg flats by the thermoform method, subject to PI's use of the Trademark for egg flats made by the injection molding method.
2. PI's U.S. Trademark Registration Numbers 3,352,460 and 3,724,368 are cancelled. A copy of these amended Finding and Conclusions will be sent to the USPTO forthwith.

June 4, 2015



Edward J. McManus, Judge
UNITED STATES DISTRICT COURT